

**Remarks/Arguments**

After amendment, claims 14-47 are pending in the application. Claims 14-35 stand rejected. Claims 14, 18, 22, 30, 33, 36, and 47 are in independent form.

**Claim Rejections Under 35 USC § 101**

Claims 14-35 stand rejected under 35 USC §101 as the claimed invention is directed to non-statutory subject matter. Applicants note that claims 14-32 have been amended to make it clear that that data is electronically transferred across a computer network. These amendments are supported in the Specification, for example, in paragraphs 1014 and 1020. No new matter is added by way of these amendments.

Applicants also note that contrary to the Examiner's assertion that "the claimed matter can be performed using only human intelligence," all of the rejected claims require a transfer of funds. Obviously, if this transfer of funds is performed physically via the transfer of actual dollars it would transform the subject matter to a different state by moving the dollars to a different location and by dividing the original transaction amount into multiple payments (the transaction amount plus the service, billing, and broker's fees). Further, even if the transfer is performed electronically, the data being transformed by transfer between parties and by being divided into different payments is representative of a physical object or structure (i.e., the money that it being transferred) and is thus patentable subject matter. *See In re Bilski*, 545 F.3d 949, 963 (Fed. Cir. 2008).

**Claim Rejections Under 35 USC §103**

Claims 14-35 stand rejected under 35 USC 103(a) as being unpatentable over Thomas (U.S. Patent No. 6,317,745) in view of Treider, et al (U.S. Patent No. 7,082,412). To establish a *prima*

*facie* case of obviousness, the prior art reference (or references when combined) must teach or suggest all the claim limitations. Further, the Examiner must articulate some reason or rationale to combine the references as suggested. Applicants submit that the rejected claims all contain limitations which are not described or taught by the cited references. Further, the Examiner has failed to provide any rationale at all supporting the combination of references.

*The references do not teach all of the claim limitations.*

Among other limitations, all of Applicants' rejected claims require, in addition to the merchant and the payor, a third-party biller that bills the payor and receives payment from the payor and a separate liquidity source that transfers funds to the merchant. Payment is made to the merchant by the liquidity source, while payment is made by the payor, not to the liquidity source, but to the third-party biller. This is not taught by either of the cited references.

In the primary reference, Thomas, a third party acts as a data service to hide bank account information of the parties of the transaction from each other. The third party does not provide funds and does not collect funds into its own account. The funds are transferred from the payor's account to the payee's account using the information maintained by the third party. There is no liquidity source. There is no money being provided by any source other than the payee. The trusted third party facilitates the transfer of funds between the payor and payee by keeping the bank information of each party secret from the other party, but does not provide funds. The third party provides the payor a "universal identifier number" to designate the payee, and the third party converts the universal identifier number to the payee's bank account information to be used to transfer funds to the payee's account. Thomas also describes an electronic bill presentment system in which a third party presents a bill to the purchaser's home banking system for payment. Col. 21,

line 63 to col. 23, line 3. If the purchaser approves the payment, funds are transferred from the purchaser's bank account to the merchant's bank account. Again, no funds are sent to the biller, and the biller forwards no funds to a liquidity source.

Treider teaches a "platform" that coordinates between buyers, vendors, and guaranteeing institutions. Treider describes multiple embodiments. In one embodiment, a buyer has a profile that includes a credit limit with a guaranteeing institution. A buyer purchases something from a vendor, who fills the order and transfers the receivable to the guaranteeing institution. Col. 9, lines 39-52. "Next, the buyer makes payment to the platform based upon the vendor terms 22 and the platform forwards payment to the vendor 24, minus a negotiated percentage." Col. 9, lines 52-54.

Thus, the vendor is not paid until the buyer pays the platform, unless the buyer fails to pay the platform, in which case the vendor is presumably paid by the guaranteeing institution. That is, the vendor is not paid until the buyer pays or defaults and so no money is transferred to the vendor upon completion of the transaction. While Treider states that "the receivable" is transferred to the guaranteeing institution, he also states that the payment is forwarded by the platform to the vendor, not to the guaranteeing institution. It appears, therefore, that the "receivable," that is, the right to receive payments, is not really transferred, only the information about the receivable so that the available credit can be reduced.

In a second embodiment of Treider, the purchase is made directly from the guaranteeing institution, and the order is filled by the vendor. "Next, the buyer making payments to the guaranteeing institution based upon the vendor's terms 36 and the institution forwarding payment to the vendor, minus the institution's negotiated percentage 38." Col. 10, lines 6-9. As in the first

embodiment, the vendor is not paid until the user pays or defaults and so no money is transferred from a liquidity source to the vendor upon completion of the transaction.

The third and fourth embodiments are not well described, but appear to be similar to the first and second embodiments, but for international transactions. Col. 11, lines 43-65. Funds do not appear to be transferred to the vendor until the buyer pays or defaults.

In summary, while Thomas and Treider show various parties moving money to facilitate a transaction, they do not teach the claimed invention. Although the Examiner states that he considers a credit card to be a liquidity source, Applicants' claims require that the liquidity source which provides funds to the merchant be a separate entity from the third-party that bills and receives the payments from the payor. In both of the cited reference, the credit card company is the entity that provides the funds and bills and receives the funds from the payor.

*The Examiner does not provide a reasonable reason for combining the references.*

Rejections on obviousness cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *KSR International Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1741, 82 USPQ2d 1385, 1396 (2007). Further, Applicants note that an acceptable reason must be able to justify the combination in the fashion claimed by the rejected claims. *Id.* at 1740-41.

Here, the Applicants also note that the Examiner argues that "it would have been obvious to one of ordinary skill in the art to combine the teachings of Thomas and Treider so that credit card companies/funds providing companies can use the trusted third party system of Thomas to present bills to the payor (i.e., bills of all the credit card funds provided to the payor for making a purchase in Treider (fig. 3)), and also to compensate the third party for the services they provide."

Applicants respectfully submit that this rationale makes little sense in the context of credit card payment. As any person of skill in the art would recognize, no credit card company would have any reason to use a trusted third party as an intermediary between the credit card company and its own customers. As explained in detail in the Thomas reference, the purpose for using a trusted third party intermediary in a financial transaction is to protect the confidential information of the payer. A credit card company would already have access to the customer's confidential information. There would obviously be a contractual relationship between the credit card company and the customer or else the credit card company would not be making any payments on the customer's behalf.

Further, combining the two references in the fashion suggested by the Examiner has nothing to do with compensating the third party.<sup>1</sup> To provide a sufficient reason for a combination of references, the Examiner must explain why the reason would have been obvious to a person of skill at the time of the invention. This kind of "mere conclusory statement" is not enough to justify a rejection for obviousness. *See KSR*, 127 S.Ct. at 1740-41.

The only rational use for a third party intermediary as taught by Thomas would be to prevent the confidential information from reaching the merchant. As a result, the only combination of Thomas and Treider that would be adopted by any reasonable person would result in the liquidity source (the credit card company) also being the party that bills the customer and receives payment from the customer. Thus, even if the references were combined as suggested by

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<sup>1</sup> With respect to claims 13, 20, and 24, the Examiner also states that it would have been obvious to combine the references "to provide the buyer/payor a choice of different financial sources." Again, this rationale appears to have nothing to do with combining the references as suggested by the Examiner.

the Examiner, the combination would not have produced the invention described in Applicants' claims.

Because a *prima facie* case of obviousness has not been established for the rejected claims discussed above, Applicants respectfully request that the Examiner's § 103 rejections to these claims be withdrawn.

#### *All Remaining Claims*

Applicants submit that the remaining claims, being dependent from claims that are allowable for reasons stated above, are also allowable. Accordingly, Applicants request that the objections to these remaining claims also be withdrawn.

#### *New Claims*

New claims 36-47 are added to better claim Applicants' invention. Claim 36 contains the same limitations found in original claim 22 with additional limitations providing that data is electronically transferred across a computer network. These additional limitations are supported in the Specification, for example, in paragraphs 1014 to 1020. Claim 37 is supported, for example, in paragraphs 1023 and 1024. Claims 38 and 39 are supported, for example, in paragraphs 1011, 1014, and 1017-1019. Claims 40, 41, and 43 are supported, for example, in paragraph 1022 and in original claims 2-3 and 7. Claim 42 is supported, for example, in original claim 4. Claims 44-46 are supported, for example, in original claims 9-10 and 12. Claim 47 is supported, for example, in paragraphs 1014 to 1020 and in original claim 5. No new matter is added by new claims 36-47.

**Conclusion**

It is believed that all of the pending issues have been addressed. However, the absence of a reply to a specific objection, issue, or comment does not signify agreement with or concession of the rejection, issue, or comment. In addition, because the arguments made above may not be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this reply should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this reply, and the amendment of any claim does not necessarily signify concession of unpatentability of the claim prior to its amendment.

Applicants submit that all claims in the application are now in condition for allowance, and Applicants respectfully request that a timely Notice of Allowance be issued in this case.

If the Commissioner determines that any additional fees or extensions are required, Applicants request that such extensions be granted and any fees be charged to Deposit Account 50-1635.

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Respectfully submitted,



David Griner  
Reg. No. 47,614  
Attorney for Applicants  
PO Box 164140  
Austin, TX 78716-4140  
Phone (512) 637-0800  
Facsimile (512) 306-1963